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ABSTRACT

This study examined student loan default rates at 98 of the 104 historically black colleges and universities (HBCUs) in the United States. About 3 percent of all federal students loans made in fiscal year (FY) 1995 were made to students at HBCUs, a percentage that has remained steady from FY 1991 through FY 1995. For FY 1993, the average loan default rate for HBCUs was 21.1 percent, while the average for non-HBCUs was 7.2 percent. For FY 1992, HBCUs averaged defaults of \$464,209 and non-HBCUs averaged \$119,307. Whether compared by kind of school or student enrollment, HBCUs had higher default rates and larger dollar amounts of loans in default per school than non-HBCUs. If the default rates for HBCUs remain the same for FYs 1994-96 as they were for FYs 1991-93, 22 HBCUs could lose their eligibility for federal student loan programs in FY 1998, after their exemption from default rate requirements expires. Four appendixes provide data on HBCUs by state, kind of school, and enrollment; a comparison of selected characteristics at HBCUs and non-HBCUs; a comparison of selected characteristics at HBCUs and non-HBCUs by school enrollment; and Federal Family Education Loans (FFEL) in repayment and default by kind of school. (MDM)

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United States General Accounting Office

Report to the Ranking Minority Member,
Committee on Economic and
Educational Opportunities, House of
Representatives

ED 404 909

January 1997

STUDENT LOANS

Default Rates at Historically Black Colleges and Universities



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United States
General Accounting Office
Washington, D.C. 20548

Health, Education, and
Human Services Division

B-275208

January 21, 1997

The Honorable William L. Clay
Ranking Minority Member
Committee on Economic and
Educational Opportunities
House of Representatives

Dear Mr. Clay:

Historically Black Colleges and Universities (HBCUs) have a long history of providing higher education to black students. The first HBCUs were established before the Civil War. After the war, the establishment of HBCUs gradually continued; as of fall 1994, 104 HBCUs serve about 281,000 students (see app. I). In 1965, the Congress stressed the importance of HBCUs, stating that "historically Black colleges and universities have contributed significantly to the effort to attain equal opportunity through postsecondary education for Black, low-income, and educationally disadvantaged Americans."

Our earlier reports pointed out that HBCUs participating in federal student loan programs generally experienced high default rates, with nearly one-third of HBCUs exceeding the statutory default threshold.¹ HBCUs have been legislatively exempt from the statutory threshold requirement that schools with high default rates lose their eligibility to participate in federal student loan programs. But the exemption is to expire on July 1, 1998. When the exemption expires, many HBCUs with high default rates for student loans could lose their eligibility to participate in federal student loan programs. Such a loss could make it difficult for students to pay the cost of attending HBCUs.

In this report, we respond to your request to update the information we previously reported on default rates at HBCUs. As agreed with your office, our objectives were to

- determine the dollar amount of major federal student loans made to students at HBCUs and non-HBCUs;
- identify the most current default rates and the dollar amounts of the defaults—aggregated by kind of school, such as 2-year or 4-year, public or

¹Student Loans: Default Rates at Historically Black Colleges and Universities (GAO/HRD-93-117FS, Aug. 19, 1993) and Default Rates at HBCUs (GAO/HEHS-94-97R, Mar. 9, 1994).

private—for student borrowers previously enrolled at HBCUS and non-HBCUS; and

- estimate the number of HBCUS that could lose their eligibility, in fiscal year 1998, for federal student loan programs because of default rates exceeding the statutory threshold.

Our universe of schools comprises 98 HBCUS² and 3,209 non-HBCUS, including those that (1) are 2-year or 4-year and public or private schools and (2) the Department of Education has reported as current participants in the Federal Family Education Loan (FFEL) and William D. Ford Direct Loan (FDL) programs.³ The 98 HBCUS represent about 3 percent of our universe of 2-year or 4-year public or private schools in the FFEL and FDL programs. We relied on Department information for (1) overall student loan dollars through fiscal year 1995, (2) the most current default rates for student loans for HBCU and non-HBCU schools during fiscal years 1991-93, and (3) actual dollars defaulted in fiscal year 1992. Although we did not verify the accuracy of data obtained from the Department, its databases are readily available and can be used by the education community for similar analyses. We conducted our review between May and October 1996 in accordance with generally accepted government auditing standards.

Results in Brief

Of the \$26.2 billion in federal student loans made in fiscal year 1995, \$731 million (or about 3 percent) in loans were made to students attending HBCUS. This percentage has remained steady during fiscal years 1991-95.

For fiscal year 1993, the average loan default rate for HBCUS was 21.1 percent, but the average for non-HBCUS was 7.2 percent. These percentages remained relatively the same throughout fiscal years 1991-93. In fiscal year 1992, the most current year that the dollars in defaulted student loans could be measured, HBCUS averaged defaults of \$464,209 and non-HBCUS averaged \$119,307. This difference was primarily because the aggregate default rate for HBCUS was about three times as great as the rate for non-HBCUS. Whether compared by kind of school or student enrollment, HBCUS had higher default rates and larger dollar amounts of loans in default per school than non-HBCUS.

²The Department currently recognizes 104 HBCUS, but we excluded 6 from our review because default rates were not available for them. In addition, since all HBCUS are 2-year or 4-year public or private schools, we excluded from our universe of non-HBCUS all schools in the Department's database that are less than 2-year or proprietary. But data on proprietary schools are included in table 1 and app. IV to provide a broader perspective.

³These schools were reported by the Department of Education's Default Management Section in the fiscal year 1993 official statistics for the cohort default rate.

If the default rates for HBCUs remain the same for fiscal years 1994-96 as they were for fiscal years 1991-93, 22 HBCUs could lose their eligibility for federal student loan programs in fiscal year 1998, after their exemption from default rate requirements expires.

Background

Title IV of the Higher Education Act of 1965, as amended, authorized the Department of Education to bar postsecondary schools with high "cohort default rates" from continuing to participate in federal student loan programs.⁴ The cohort default rate is a percentage that results from two parts: (1) a school's student loan borrowers who are supposed to repay the loan in a fiscal year, divided by (2) those borrowers who default by the end of the following fiscal year.⁵ For example, if 100 students from a school were scheduled to begin repaying their loans in fiscal year 1993 and 25 defaulted on their loans by the end of fiscal year 1994, the school's fiscal year 1993 cohort default rate would be 25 percent.

Each year, the Department assesses a school's eligibility on the basis of its three most recent available cohort default rates. In fiscal year 1996, eligibility was based on default rates for fiscal years 1991, 1992, and 1993. A school remains eligible if its cohort default rate is below the statutory threshold, currently 25 percent, in at least 1 of the latest 3 consecutive fiscal years. A school becomes ineligible if its default rate equals or exceeds the default threshold in all 3 fiscal years.

Students get federal loans from two major programs: the FFEL and FDL programs, each providing both subsidized and unsubsidized loans. Loans made under FFEL are provided by private lenders and are ultimately guaranteed against default by the federal government. Loans made under FDL are provided through schools, and the Department services and collects loans through contractors. FDL was originally authorized by the Higher Education Amendments of 1992 (P.L. 102-325). Since the first loans under FDL were made in the fourth quarter of fiscal year 1994, the fiscal year 1995 cohort will be the first cohort that could be affected by FDL defaults.

⁴Student borrowers are in default if they fail to make any scheduled payments on their loans for (1) 180 days, if repayment is made monthly, and (2) 240 days, if repayment is made less frequently.

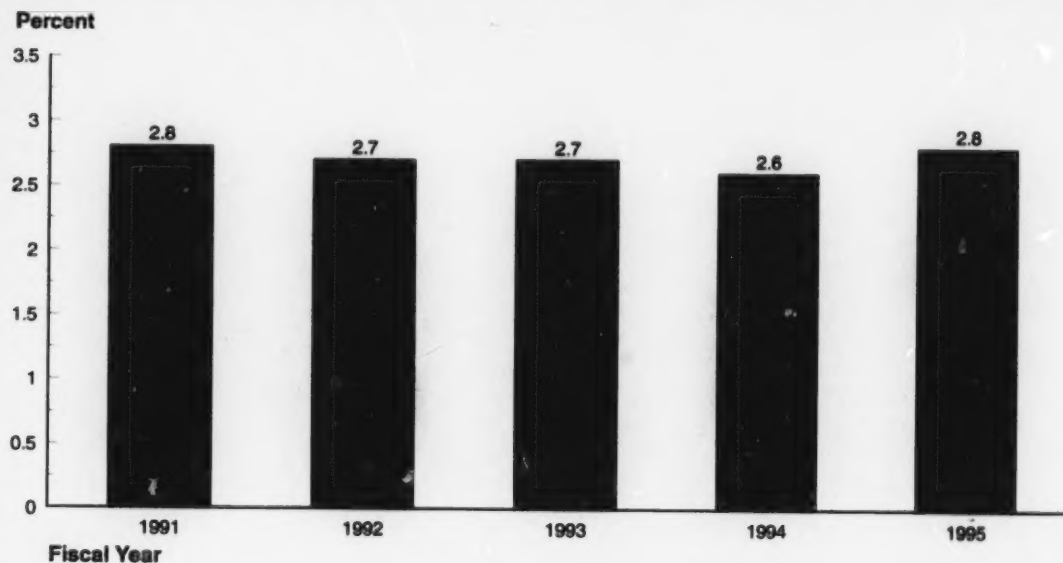
⁵If less than 30 student borrowers at a school repay their loans in a given year, the cohort default rate is the percentage of student borrowers who repaid their loans in the most recent 3 years, but who defaulted by the end of the fiscal year after repayment.

In addition to the cohort default rate threshold specified in the Higher Education Act, the Department has established—through regulation—a default reduction initiative that includes default rate thresholds applicable to all schools, including HBCUs. One provision of the initiative specifies that if a school has a default rate exceeding 20 percent, it must submit to the Department a default management plan for implementing specific measures for reducing the rate. Another provision allows the Department to start procedures to limit, suspend, or terminate a school's participation in all title IV federal student aid programs if the school's cohort default rate for a single year exceeds 40 percent. The exemption from the statutory threshold for HBCUs does not extend to these provisions.

HBCUs Account for a Small Part of Federal Student Loans

The federal loans to students at 98 HBCUs represent 2.96 percent of our universe of 2-year or 4-year public or private schools participating in the FFEL and FDL programs. The federal government provided about \$26.2 billion in student loans through the two programs in fiscal year 1995, of which \$731 million (2.8 percent) was loans to students attending HBCUs. Since fiscal year 1991, the amount of loans to students at HBCUs has consistently accounted for a small part of all such loans made to postsecondary students (see fig. 1).

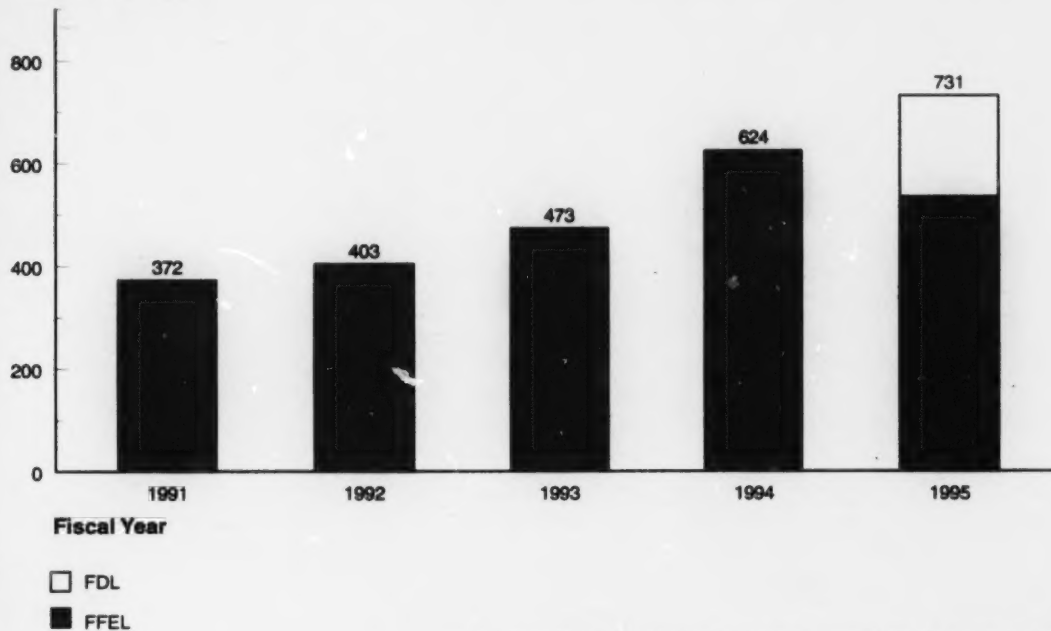
Figure 1: Percentage of Total FFEL and FDL Dollar Amounts Awarded to HBCU Students, Fiscal Years 1991-95



Although the total share of federal student loans to HBCU students has remained small during fiscal years 1991-95, the dollar amount of these loans has increased by about 97 percent, from \$372 million to \$731 million (see fig. 2).

Figure 2: Dollar Amount of Loans Under FFEL and FDL to Students Attending HBCUs, Fiscal Years 1991-95

Millions of Dollars

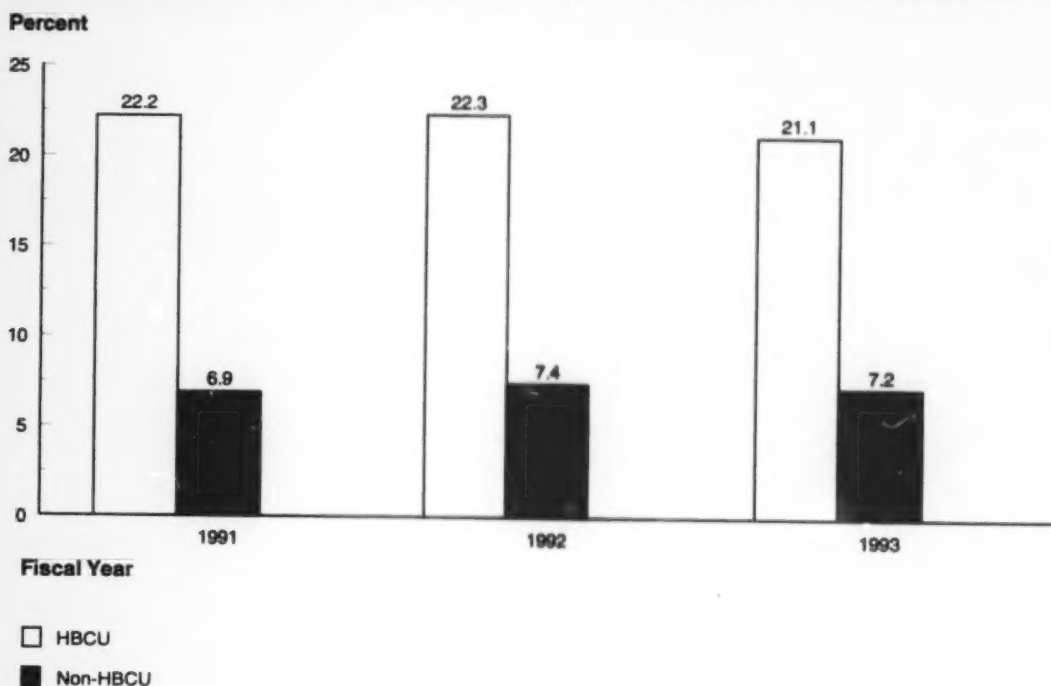


Note: The 1994 amount includes \$1.5 million under the Federal Direct Loan (FDL) program.

Aggregate Default Rates for HBCUs and Non-HBCUs Show Large and Consistent Differences

In each fiscal year, from 1991 through 1993, the aggregate cohort default rate for HBCUs was about three times as high as the rate for non-HBCUs. There was little variation in the rates from year to year, with HBCU rates ranging from 21.1 to 22.3 percent and non-HBCU rates from 6.9 to 7.4 percent (see fig. 3).

Figure 3: Aggregate FFEL Default Rates for HBCUs and Non-HBCUs, Fiscal Years 1991-93 Cohorts



For the various types of schools, HBCU default rates are lowest among 4-year private schools (20 percent in fiscal year 1993) and highest among 2-year private schools (42.5 percent) (see table 1). Compared with non-HBCUs, HBCUs had higher default rates for all kinds of schools (public, private, 4-year, and 2-year) and in each fiscal year from 1991 through 1993.

Table 1: Comparison of FFEL Default Rates by Kind of School for HBCUs and Non-HBCUs, Fiscal Years 1991-93 Cohorts

School		FFEL default rates (in percent)		
Kind	No.	1991	1992	1993
HBCUs				
4-year public	40	21.7	22.2	21.4
4-year private	49	21.4	21.8	20.0
2-year public	6	33.4	24.4	23.8
2-year private	3	52.9	38.8	42.5
Non-HBCUs				
4-year public	518	5.9	6.3	6.0
4-year private	1,310	5.0	5.7	5.5
2-year public	942	14.1	14.3	14.4
2-year private	439	12.7	12.5	12.6
Proprietary ^a	2,086	26.3	23.3	21.8

^aThere are no HBCU proprietary schools.

HBCUs Have Larger Dollar Amounts in Default Per School Than Non-HBCUs

The total number of student loan dollars in default per school averaged nearly four times higher at HBCUs than at non-HBCUs. In fiscal year 1992, the last year for which complete data on defaulted amounts were available, HBCU defaults averaged \$464,209 compared with \$119,307 for non-HBCUs (see table 2). This was primarily the result of default rates being about three times as great for HBCUs as for non-HBCUs. The average borrower in default at HBCUs or non-HBCUs had nearly the same amount in default—\$4,084 at HBCUs, \$4,091 at non-HBCUs.

Table 2: Selected Characteristics for HBCUs and Non-HBCUs, Fiscal Year 1992 Cohort

Selected characteristic	HBCUs	Non-HBCUs
Number of schools	98	3,209
Borrower default rate	22.3%	7.4%
Avg. dollars in default per school	\$464,209	\$119,307
Avg. dollars in default per borrower	\$4,084	\$4,091
Avg. borrowers in default per school	114	29
Avg. borrowers repaying loans per school	510	393
Avg. 1994 fall enrollees per school	2,788	4,412
Defaulted borrowers as percentage of enrollees	4.1%	0.7%
Borrowers in repayment as percentage of enrollees	18.3%	8.9%

Note: The fiscal year 1992 cohort was the latest year for which the amount of dollars in default was available.

For both HBCUS and non-HBCUS, the average dollars in default for 4-year schools was higher than that for 2-year schools. For example, in the fiscal year 1992 cohort, defaulted dollars for 4-year HBCUS was \$491,083 and for 2-year HBCUS, \$165,243 (see app. II).

In addition, to determine whether larger 4-year schools might have lower default rates but higher dollar volumes in default,⁶ for the 1992 cohort, we analyzed default data by size of school enrollment. We found that at HBCUS, larger schools had lower default rates and much higher volumes of dollars in default than smaller schools. At non-HBCUS, larger schools had nearly the same default rates as smaller schools, but much higher volumes of dollars in default. However, for both the larger and smaller schools, HBCUS had significantly higher default rates and more dollars in default than non-HBCUS. (See app. III.)

In analyzing student loan dollars in default compared with loans in repayment, we found that the dollar default rate for HBCUS, in fiscal year 1992, was 19.7 percent. This compares with a dollar default rate for proprietary schools of 19.1 percent and for all other non-HBCUS of 5.6 percent. (See app. IV.)

Over 20 Percent of HBCUs Could Lose Student Loan Eligibility

If the high default rates for the fiscal years 1991-93 cohorts persist, 22 of the 98 HBCUS (over 20 percent), after their statutory exemption from default rate requirements ends in July 1998, could become ineligible for continued participation in federal student loan programs. The 22 schools had cohort default rates of 25 percent or more in those 3 fiscal years. Given fall 1994 enrollments, about 29,000 (11 percent) of HBCU students attended these 22 HBCUS. During fiscal year 1995, students attending the 22 schools received about \$80 million in federal education loans. (See table 3 for these and other possible outcomes under current law and varying default rate thresholds.)

⁶In our analysis of default rates by enrollment size, we defined smaller schools as those with enrollments of less than 5,000 students and larger schools as those with enrollments of greater than or equal to 5,000 students.

Table 3: Varying Default Rate Thresholds at Which HBCUs Could Lose Eligibility for FFEL Participation in Fiscal Year 1998

Percentage at default rate threshold ^a	HBCUs that could lose eligibility	HBCU loan volume in fiscal year 1995	Percentage of total HBCU loan volume
25	22	\$80,030,772	10.9
30	11	10,163,511	1.4
35	6	5,380,842	0.7
40	1	2,280,123	0.3

^aDefault rates are based on fiscal years 1991-93 cohort data, which are the most recent available. If the legislative exemption expires, cohort data from fiscal years 1994-96 are likely to be the most recent data available for determining eligibility to participate in federal student loan programs in fiscal year 1998.

High default rates could also have other effects on a number of HBCUs. By regulation, the Department requires that schools with default rates exceeding a 20 percent threshold must submit a default management plan for reducing their default rates. HBCUs are not exempt from this requirement. For the fiscal year 1993 cohort, 53 (54 percent) of the 98 HBCUs had default rates above 20 percent. In comparison, 221 (7 percent) of the 3,209 non-HBCUs had default rates exceeding 20 percent.

Further, the Department may limit, suspend, or terminate school participation in all title IV federal student aid programs if cohort default rates exceed 40 percent for a single year. For the 1993 cohort, 7 HBCUs and 17 non-HBCUs exceeded the 40 percent threshold. According to Department of Education officials, of the 17 non-HBCUs, 14 no longer participate in FFEL and 3 are contesting their default rates through the Department's appeal process. Of the 7 HBCUs, 1 recently terminated its participation in title IV student aid programs because it lost accreditation; the other 6 may continue to participate because the Department has not initiated actions to limit, suspend, or terminate these schools' participation because of their high default rates.

Agency Comments

The Department of Education reviewed a draft of this report and had no comments.

Copies of this letter will be provided to appropriate congressional committees, the Secretary of Education, and other interested parties. If you have any questions or would like to discuss this report further, please contact me on (202) 512-7014. Major contributors include

Joseph J. Eglin, Jr., Assistant Director; Daniel C. Jacobsen; Robert B. Miller; and Charles M. Novak.

Sincerely yours,

A handwritten signature in cursive script that reads "Carlotta Joyner". The signature is written in dark ink and is positioned above the printed name and title.

Carlotta C. Joyner
Director, Education and
Employment Issues

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Abbreviations

FDL	Federal Direct Loan
FFEL	Federal Family Education Loan
HBCU	Historically Black Colleges and Universities

Historically Black Colleges and Universities, by State, Kind of School, and Enrollment

HBCUs included in the review	State	Kind of school	Fall enrollment 1994
Alabama A&M University	Ala.	4-yr. public	5,543
Alabama State University	Ala.	4-yr. public	5,037
J.F. Drake State Technical College	Ala.	2-yr. public	768
Miles College	Ala.	4-yr. private	1,068
Oakwood College	Ala.	4-yr. private	1,534
Selma University	Ala.	4-yr. private	206
Stillman College	Ala.	4-yr. private	913
Talladega College	Ala.	4-yr. private	976
Trenholm State Technical College	Ala.	2-yr. public	785
Tuskegee University	Ala.	4-yr. private	3,322
Arkansas Baptist College	Ark.	4-yr. private	225
Philander Smith College	Ark.	4-yr. private	841
Shorter College	Ark.	2-yr. private	282
Univ. of Arkansas at Pine Bluff	Ark.	4-yr. public	3,823
Howard University	D.C.	4-yr. private	10,115
Univ. of the District of Columbia	D.C.	4-yr. public	10,599
Delaware State University	Del.	4-yr. public	3,381
Bethune-Cookman College	Fla.	4-yr. private	2,345
Edward Waters College	Fla.	4-yr. private	782
Florida A&M University	Fla.	4-yr. public	10,084
Florida Memorial College	Fla.	4-yr. private	1,320
Albany State College	Ga.	4-yr. public	3,062
Clark Atlanta University	Ga.	4-yr. private	5,193
Fort Valley State College	Ga.	4-yr. public	2,823
Interdenominational Theological Center	Ga.	4-yr. private	398
Morehouse College	Ga.	4-yr. private	2,992
Morehouse School of Medicine	Ga.	4-yr. private	164
Morris Brown College	Ga.	4-yr. private	1,894
Paine College	Ga.	4-yr. private	721
Savannah State College	Ga.	4-yr. public	3,253
Spelman College	Ga.	4-yr. private	1,977
Kentucky State University	Ky.	4-yr. public	2,563
Dillard University	La.	4-yr. private	1,675
Grambling State University	La.	4-yr. public	7,610
Southern University and A&M College at Baton Rouge	La.	4-yr. public	9,904
Southern University at New Orleans	La.	4-yr. public	4,302

(continued)

Appendix I
Historically Black Colleges and Universities,
by State, Kind of School, and Enrollment

HBCUs included in the review	State	Kind of school	Fall enrollment 1994
Southern University at Shreveport-Bossier City	La.	2-yr. public	1,267
Xavier University of Louisiana	La.	4-yr. private	3,463
Bowie State University	Md.	4-yr. public	4,896
Coppin State College	Md.	4-yr. public	3,380
Morgan State University	Md.	4-yr. public	5,766
University of Maryland Eastern Shore	Md.	4-yr. public	2,925
Lewis College of Business	Mich.	2-yr. private	245
Harris-Stowe State College	Mo.	4-yr. public	1,757
Lincoln University	Mo.	4-yr. public	3,512
Alcorn State University	Mo.	4-yr. public	2,742
Coahoma Community College	Miss.	2-yr. public	969
Jackson State University	Miss.	4-yr. public	6,224
Mary Holmes College	Miss.	2-yr. private	327
Mississippi Valley State University	Miss.	4-yr. public	2,182
Rust College	Miss.	4-yr. private	1,055
Tougaloo College	Miss.	4-yr. private	1,105
Barber-Scotia College	N.C.	4-yr. private	432
Bennett College	N.C.	4-yr. private	655
Elizabeth City State University	N.C.	4-yr. public	2,099
Fayetteville State University	N.C.	4-yr. public	4,109
Johnson C. Smith University	N.C.	4-yr. private	1,413
Livingstone College	N.C.	4-yr. private	836
North Carolina A&T State University	N.C.	4-yr. public	8,136
North Carolina Central University	N.C.	4-yr. public	5,692
Saint Augustine's College	N.C.	4-yr. private	1,673
Shaw University	N.C.	4-yr. private	2,432
Winston-Salem State University	N.C.	4-yr. public	2,915
Central State University	Ohio	4-yr. public	2,763
Wilberforce University	Ohio	4-yr. private	976
Langston University	Okla.	4-yr. public	3,408
Cheyney State University of Pennsylvania	Pa.	4-yr. public	1,357
Lincoln University	Pa.	4-yr. public	1,371
Allen University	S.C.	4-yr. private	256
Benedict College	S.C.	4-yr. private	1,501
Claflin College	S.C.	4-yr. private	1,023
Denmark Technical College	S.C.	2-yr. public	840

(continued)

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**Appendix I
Historically Black Colleges and Universities,
by State, Kind of School, and Enrollment**

HBCUs included in the review	State	Kind of school	Fall enrollment 1994
Morris College	S.C.	4-yr. private	889
South Carolina State University	S.C.	4-yr. public	4,693
Voorhees College	S.C.	4-yr. private	716
Fisk University	Tenn.	4-yr. private	872
Knoxville College	Tenn.	4-yr. private	728
Lane College	Tenn.	4-yr. private	667
LeMoyne-Owen College	Tenn.	4-yr. private	1,436
Meharry Medical College	Tenn.	4-yr. private	726
Tennessee State University	Tenn.	4-yr. public	8,180
Huston-Tillotson College	Tex.	4-yr. private	613
Jarvis Christian College	Tex.	4-yr. private	382
Paul Quinn College	Tex.	4-yr. private	667
Prairie View A&M University	Tex.	4-yr. public	5,849
Saint Phillip's College	Tex.	2-yr. public	6,571
Southwestern Christian College	Tex.	4-yr. private	182
Texas College	Tex.	4-yr. private	262
Texas Southern University	Tex.	4-yr. public	10,078
Wiley College	Tex.	4-yr. private	584
Hampton University	Va.	4-yr. private	5,769
Norfolk State University	Va.	4-yr. public	8,667
Saint Paul's College	Va.	4-yr. private	763
Virginia State University	Va.	4-yr. public	4,007
Virginia Union University	Va.	4-yr. private	1,525
University of the Virgin Islands	V.I.	4-yr. public	3,095
Bluefield State College	W.Va.	4-yr. public	2,609
West Virginia State College	W.Va.	4-yr. public	4,519
HBCUs excluded from the review			
Bishop State Community College ^a	Ala.	2-yr. public	4,511
Lawson State Community College ^a	Ala.	2-yr. public	1,920
Fredd State Technical College ^a	Ala.	2-yr. public	190
Concordia College ^a	Ala.	2-yr. private	435
Hinds Community College, Utica Campus ^b	Miss.	2-yr. public	964
Clinton Junior College ^a	S.C.	2-yr. private	53

(Table notes on next page)

Appendix I
Historically Black Colleges and Universities,
by State, Kind of School, and Enrollment

Note. The number of HBCUs included in the review is 98; the number excluded is 6.

^aThis HBCU has not been a participant in the Federal Family Education Loan (FFEL) program and, therefore, the Department of Education's default rate report for the fiscal year 1993 cohort contained no information for it.

^bThe Department's default rate report for the fiscal year 1993 cohort contains data for Hinds Community College, but default data for the Hinds Utica Campus are not separated out. According to a vice-president of the college, this campus is the portion of Hinds Community College that is recognized as an HBCU. Therefore, for review purposes, Hinds Community College was considered a non-HBCU.

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Comparison of Selected Characteristics at 4-Year and 2-Year HBCUs and Non-HBCUs, Fiscal Year 1992 Cohort

Selected characteristic	4-year schools		2-year schools	
	HBCU	Non-HBCU	HBCU	Non-HBCU
Number of schools	89	1,828	9	1,381
Borrower default rate	22.0%	6.0%	30.8%	14.0%
Avg. borrowers in default per school	120	34	54	23
Avg. borrowers in repayment per school	544	568	174	161
Avg. dollars in default per school	\$491,083	\$162,715	\$165,243	\$61,203
Avg. dollars in default per borrower	\$4,101	\$4,758	\$3,085	\$2,720
Avg. 1994 fall enrollment per school	2,935	4,667	1,339	4,046
Borrowers in default as a percentage of all enrollees	4.1%	0.7%	4.0%	0.6%
Borrowers in repayment as a percentage of all enrollees	18.5%	12.2%	13.0%	4.0%

Comparison of Selected Characteristics at 4-Year HBCUs and Non-HBCUs, by School Enrollment, Fiscal Year 1992 Cohort

Selected characteristic	Larger enrollment ^a		Smaller enrollment ^b	
	HBCU	Non-HBCU	HBCU	Non-HBCU
Number of schools	17	474	72	1,303
Borrower default rate	20.4%	6.1%	23.3%	6.0%
Avg. borrowers in default per school	259	91	87	14
Avg. borrowers in repayment per school	1,271	1,503	372	236
Avg. dollars in default per school	\$1,148,151	\$424,965	\$335,942	\$68,419
Avg. dollars in default per borrower	\$4,427	\$4,673	\$3,871	\$4,875
Avg. 1994 fall enrollment per school	7,556	13,566	1,843	1,430
Borrowers in default as a percentage of all students	3.4%	0.7%	4.7%	1.0%
Borrowers in repayment as a percentage of all students	16.8%	11.1%	20.2%	16.5%
Percentage of total HBCU or non-HBCU enrollment	49.2%	77.5%	50.8%	22.5%

^a"Larger enrollment" includes schools with fall 1994 enrollments of greater than or equal to 5,000 students.

^b"Smaller enrollment" includes schools with fall 1994 enrollments of less than 5,000 students.

Appendix IV

Federal Family Education Loans (FFEL) in Repayment and Default, by Kind of School, Fiscal Year 1992 Cohort

Kind of school	Dollars in millions				Dollar default rate (in percent)
	Loans		Percentage of total		
	Repayment	Default	Repayment	Default	
HBCU	\$ 228	\$ 45	2.8	7.0	19.7
Non-HBCU, proprietary	1,134	217	13.8	33.6	19.1
Non-HBCU, all others	6,853	383	83.4	59.4	5.6
Total	\$8,215	\$845	100.0	100.0	7.9

Note: The Department of Education's database provided information on fiscal year 1992 dollars in repayment and in default for only 5,670 of the 5,855 schools in our universe of schools, as follows: HBCU, 97 of 98; Non-HBCU, proprietary, 1,988 of 2,086; Non-HBCU, all others, 3,585 of 3,671.

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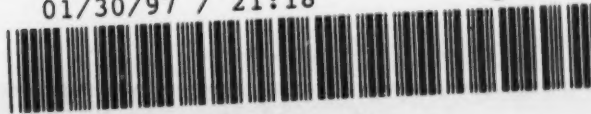
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